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China, Peoples Republic of HRI Food Service Sector Evaluation report--HRI Activity in Hangzhou 2008

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Report Highlights:

ATO/Shanghai's HRI event focused on the wealthiest province in China—Zhejiang, and achieved astounding success. The event, which featured training as well as a seminar, competition and menu promotion, was led by SUSTA Chef Nora. It attracted about 80 HRI professionals in Zhejiang, and 4,000 visitors who tasted authentic Southern U.S. cuisine during a menu promotion at the Radisson Hangzhou. Due to such an enthusiastic turnout, the overall sales during the two-week promotion reached USD 78, 150.00.

Includes PSD Changes: No Includes Trade Matrix: No Annual Report Shanghai ATO [CH2] [CH] Activity code and name: HRI Activity in Hangzhou Beginning/Ending Dates: April 24th---May 11th

City/Country: Hangzhou, China

1) Market Constraints and Opportunities:

- Lack of knowledge of U.S. food ingredients by local HRI professionals
- Higher prices compared with those of local ingredients or imported ingredients from other countries
- U.S. exporters and cooperators lack coordination and do not have a unified strategy
- Lack of awareness of southern U.S. cuisine and food culture

This activity created new opportunities to:

- Introduce high quality imported U.S. food ingredients and build demand among a wide range of local HRI professionals.
- Educate chefs and decision makers about U.S. food and beverage products.
- Establish business partnerships with local restaurant associations.
- Educate and introduce authentic southern U.S. cuisine and culture to local HRI professionals.

2) Expected Results and Desired Outcomes:

- Assist U.S. companies, food importers, distributors to establish contacts with about 80 professionals from top-end hotels and restaurants in Zhejiang
- Identify new contacts in the HRI sector.
- Strengthen sales and distribution networks for U.S. exporters.
- Expose local HRI professionals to authentic southern U.S. food cuisine and culture
- Publish articles and generate a buzz about southern U.S. food ingredients and culture
- Develop new recipes using U.S. food ingredients

3) Actual Results and Outcomes:

Results/Outcomes:

	Expected	Actual
Overall sales during two-weeks promotion	N/A	USD78, 150.00
Number of new products introduced	10	23

Background

Zhejiang is China's wealthiest province, with an average per capita income in urban households of \$2,396 (source: China Statistical Yearbook 2006), not much less than the average incomes in Shanghai and Beijing. According to the latest survey conducted in 16 cities located along the Yangtze River delta (including Jiangsu and Zhejiang provinces), there are seven cities in Zhejiang with per capita incomes close to Shanghai and one city with a per capita income that surpassed Shanghai's in the first half of the year—Hangzhou. That's why the ATO decided to choose Hangzhou, the capital of Zhejiang province, as the first leg of its HRI activity, in order to target the booming HRI industry and affluent consumer base that has flourished in Zhejiang province.

Participants

Largely sponsored by SUSTA, this series of events also attracted other USDA cooperators, namely the Alaska Seafood Marketing Institute (ASMI), U.S. Meat Export Federation (USMEF), U.S. poultry & Egg Export Council (USPEEC), Sunkist, and the California Wine Institute (CWI). ATO also successfully recruited 13 U.S. products importers and distributors to join this event by means of introducing their products to the Radisson hotel and displaying these items at the seminar to show local HRI professionals. Around 80 executive chefs, purchasing managers and decision makers from top-end hotels and restaurants in Zhejiang participated in the event. Twenty chefs were selected to receive intensive on-site training conducted by our guest Chef Nora, and came up with their own recipes made of U.S. ingredients which were judged in a follow-up competition.

Activity description

ATO designed four stages events in Zhejiang:

1) First stage—Chef seminar targeting the top-end hotel and restaurant industry in Zhejiang

On the afternoon of April 23rd, about 80 HRI professionals from top-end hotel and restaurants in Zhejiang assembled at the Radisson hotel to participate in the "U.S. Food Ingredients Seminar" and "Table-top Show." SUSTA sponsored guest Chef Nora, a native Louisiana chef who has participated in over 35 promotional events demonstrated four U.S. dishes to the audience, made up of U.S. pecan, pork, chicken leg guarters and Alaska crab legs. More than 20 U.S. food and beverage products were displayed on-site, including



Chef Nora confers with participating chef at the training session.

Alaska salmon, crab, cod; pork chop; Tabasco sauces, U.S. lemon; Florida natural juice, beer, wine and Alaska glacier water. All of the participants got a chance to taste and sample most of these products and all demonstrated dishes prepared by Chef Nora at the end of the seminar. Furthermore, a comprehensive recipe book with Chinese translation developed by Chef Nora and other introductory brochures regarding U.S. products offered by USDA cooperators and importers were distributed to the participants.

2) Second stage—intensive on-site training for selected chefs

There were about 20 elite chefs from 10 top hotels in Zhejiang who participated in the second day of on-site training conducted by Chef Nora. Four U.S. products were featured during the training which included salmon, chicken leg quarters, pork chops and lemon. A Q&A session was included after the training, so that the local chefs could exchange their questions and concerns with Chef Nora. A demo dish featured during the session was

deliberated changed by the ATO late in planning from crab to salmon to addressthe tendency of Chinese chefs to overcook U.S. salmon, leading to the loss of the product's fresh flavor. How to properly prepare and cook U.S. food ingredients was one of the main topics addressed at both the seminar and training.

3) Third stage—trainee chefs competition

On the third day, these 20 trainee chefs used the recipes they had developed to participate in a competition. Each chef cooked 2 dishes on-site, and then was judged by a panel consisting of the secretary of the Zhejiang Restaurants Association, an ATO representative and Chef Nora. This motivated local chefs to combine U.S. ingredients into local cuisine and to enlarge the use and impact of U.S. food ingredients. In the end, two elite chefs were awarded an award for innovation with certificates signed off by the judge panel; and 8 chefs were respectively awarded first, second and third place awards, as well as awards for design.

4) Fourth stage—menu promotion at the Radisson Hangzhou, targeting high-end consumers

In order to introduce authentic southern U.S. cuisine and culture to high-end consumers in Zhejiang, the ATO cooperated with the Radisson hotel in Hangzhou and conducted a two-week "Mardi Gras" themed festival at the venue. Ten labels of U.S. wine, U.S. beer. Alaska Glacier water, salmon, cod, crab, pork chops, chicken leg guarters, Tabasco sauce, lemon, and some snack food such as tortilla chips, cheese ball and peanuts were introduced and featured during the promotion. This promotion achieved astounding success with sales value reaching USD78, 150. Around 4,000 people enjoyed southern U.S. cuisine during the promotion, and spent an average of USD15.6 for lunch and USD23.5 for dinner. Chicken Gumbo, crab cake, cod fillet, pork chop and pecan pie were the favorite dishes among local consumers. Special flyers were designed and distributed to hotel quests and elite club members, and radio advertisements were broadcast on the main stations in Hangzhou introducing Chef Nora as Mardi Gras festival music and sounds played in the background.



5) Actual Promotion Results:

Through this specifically designed four-staged activity, we achieved the following results:

- a) Introduced over 20 new recipes developed by Chef Nora using U.S. ingredients to local HRI industry
- b) Encouraged local chefs to create 40 new recipes by themselves
- c) Offered a contact list containing about 80 purchasing managers and executive chefs to U.S. ingredients importers/distributors
- d) Reporters from one TV channel, three newspapers, one radio station and one magazine in Zhejiang province covered the event.
- d) Introduced 23 U.S. products to the partnering hotel including wine, beer, Alaska glacier

water, lemon, seafood, pork, chicken and snack food. Overall sales during the promotion reached USD78,150, more than 7 times our investment for the entire event.

5) Recommendations and Follow up:

Overall, ATO Shanghai's HRI event in Hangzhou focusing on southern U.S. cuisine was a great success in terms of the number and caliber of attendees, media coverage and menu promotion sales result.

The U.S. chef on-site demo, training and speeches generated a tremendous amount of interest from local HRI professionals and media. Several local executive chefs also expressed their interest in going to the U.S. culinary school to learn how to prepare authentic U.S. cuisine.

ATO is expecting continued cooperation with SUSTA and other USDA cooperators to further tap into Zhejiang's affluent consumer market.